

# SERVICE QUALITY

## Engineering and Management Services Department

The Engineering and Management Services Department (EMSD, staff or Department) has technical responsibilities in two separate areas.

The Management Analysts' mission is to develop, enhance and support utility management to provide quality services to customers and effective cost control of critical resources such as capital, technology and human resources.

The engineering staff's role is to conduct depreciation studies and provide specialized engineering analysis and assistance for all types of regulated utilities.

## Major Projects During 2005

Management Analysts participated in a variety of cases and audit projects during 2005. Specifically, the staff completed a customer service review of Aquila, Inc. Aquila serves approximately 286,000 electric and 52,000 gas customers in Missouri.

During the course of its review, the EMSD traveled to the Company's Raytown office to conduct on-site work. The Department also made field visits to Aquila's four Missouri Districts: the North District, which has a central office located in St. Joseph, the East District, which has a central office located in Blue Springs, the West District, which has a central office located in Lee's Summit and the South District, which has a central office located in Warrensburg.

The PSC staff performed field observations of the Company's call center operations, meter reading activities, payment remittance process and disconnection and reconnection activities. Staff's review resulted in approximately 50 recommendations for improvement.

During this time, the staff was part of a multi-disciplinary team that participated in an investigation into Cass County Telephone, Case No. TO-2005-0237. The EMSD staff's analysis focused upon internal control of business office operations and service quality matters.

The EMSD staff performed quality of service analysis in The Empire District Electric Company's

rate case, Case No. ER-2004-0570 and a Commission order was issued May 10, 2005, approving the Company's agreement to provide quarterly service quality reporting to the staff and the Office of the Public Counsel. The Department also performed quality of service analysis in Case No. EO-2005-0329, Kansas City Light & Power Company's Experimental Regulatory Plan case. In this proceeding, the Company also agreed to provide quarterly reporting of key call center indicators to the staff and the Office of the Public Counsel.

The EMSD staff continued its work as part of a multi-disciplinary team that investigated the transfer of approximately 400 employees from Kansas City Power & Light Company (KCPL) to Great Plains Energy Service Company, a subsidiary of Great Plains Energy. KCPL committed to the return of the majority of those staff originally transferred to Great Plains Energy Services by August 2005.

Quality of service analysis was performed by the Staff in the context of Laclede Gas Company's rate case, Case No. GR-2005-0284. The Company agreed to provide key indicators in the area of call center and meter reading to permit the staff to monitor the Company's performance.

The EMSD staff completed an Implementation Review of AmerenUE's Customer Service Operation. The results of the implementation review indicated that the Company had completed action on 25 of the 28 recommendations with the Company continuing to complete action on the three remaining recommendations.

The staff continued to receive and review quality of service reporting from a variety of companies as a result of merger and rate cases. These reports contain information regarding customer service at the companies including data on call center indicators such as average speed of answer (ASA) and abandoned call rate (ACR).

The Department participated in reviews of numerous small water and sewer companies to assist them in providing sound customer service. The audit program is designed to assist such companies in a variety of areas including customer billing, credit and collections,

complaint handling, business office operations and others.

The engineering staff of the Department performed depreciation analysis for several large and small companies during this fiscal year. The purpose of depreciation in a regulatory environment is to recover the original cost of capital assets from customers and allocate the costs over the useful life of the assets. Annual depreciation expense, distributed over the life of each asset, results in the full recovery of the original cost of capital assets. The engineers' objective is to propose depreciation rates that are fair and appropriate for each company and the company's customers. Depreciation comprises a significant component of the cost used to develop utility rates paid by consumers.

During fiscal 2005, the engineering staff performed depreciation analysis of numerous small and large companies and conducted comprehensive depreciation studies in the context of rate cases filed by The Empire District Electric Company, Laclede Gas Company, and Aquila. Engineering staff also participated in Laclede Gas Company's rate case, Case No. GR-99-315. During this time period, depreciation engineers also participated in cases involving BPS Telephone and Trigen. The staff similarly provided depreciation expertise during their participation in Kansas City Power & Light Company's Proposed Experimental Regulatory Plan Case, Case No. EO-2005-0329. Engineering staff also participated in a number of small water and sewer cases including rate and certificate cases.

During this time period, the engineering staff participated in the development of a depreciation policies and procedures manual that is designed to provide information as to how depreciation studies and analysis are conducted. The engineering staff also initiated a depreciation survey of other state commissions as an update to a previous NARUC survey performed approximately 10 years ago.

### Consumer Services Department

The Consumer Services Department serves as the central repository for consumer complaints and inquiries received by the Commission.

Consumer complaints may be filed with the Commission by mail, facsimile, e-mail or the



*Marilyn Doerhoff is one of the consumer services specialists who answer questions about billing and service quality issues.*

Commission's consumer toll-free hotline (1-800-392-4211.) Complaints may also be submitted on-line through the Commission's website. Consumer Services specialists receive, investigate and respond to billing and service issues involving gas, electric, water, sewer, and telecommunications companies regulated by the Commission. The investigation of complaints may involve consulting with the Commission's technical staff, utility representatives and researching utility tariffs as well as the Commission rules and regulations. Through the handling of consumer complaints, specialists work to enforce Commission rules and utility tariffs.

Specialists also interact with other PSC Staff regarding consumer service issues in proposed rulemakings on the state and federal level. This interaction also involves participating in customer service focused reviews of utility operations and participating in formal cases before the Commission regarding issues that impact customer services.

Consumer Service specialists also refer consumers to other agencies that may provide the needed assistance.

